

DECEMBER 2022| ISSUE 27

WRIGHT NEWS

OUR VISION

To be the market leader
offering world class,
customized and
professional brokerage
insurance services

OUR MISSION

To provide quality
professional insurance
brokerage services at
affordable costs
for the benefit of our clients,
shareholders, staff and the
Nation.



www.chancerywright.com

THE VIEW

Sunrise Breakfast

Start your day watching Nairobi wake up! – Join us on Monday through Sunday from 6:00 am.

Contact: 0709 548 000

Email: Hotel.Nairobi.Reservations.FB@Movenpick.com



MÖVENPICK

HOTEL & RESIDENCES
NAIROBI

movenpick.com

EDITOR'S NOTE

RISK MANAGEMENT & SAVINGS DURING HARD ECONOMIC TIMES

Hello and welcome to our 27th Edition of the Wright Newsletter. In this issue, we focus on insurance uptake amid the economic recession. Time and again we have all been advised to buy insurance – for life, health, business interruption, to cover our Properties, etc. The biggest goal is to financially guard against unpredictable life occurrences. In short, when you buy an insurance policy, you make monthly payments, called premiums, to purchase protection from monetary repercussions related to things like accidents, illness or even death.

During hard economic times, the temptation is to drop coverage or reduce limits in order to save money. However, now more than ever, it is important for businesses and individuals to take a proactive approach when it comes to their risk management efforts and their insurance policies.

In this issue, we have two articles describing insurance uptake in Kenya and Uganda during the hard economic times. In our health and wellness section, we offer tips to help deal with financial-related stress. In our product offering, we highlight travel insurance, how it works and how to get the most from your travel plan. Also, we have an article to encourage us to keep hope alive.

As the end of the year draws near, we'd like to take this opportunity to extend a heartfelt thank you to all of you for your support. Thank you for choosing us and we wish you a wonderful holiday season and a happy new year 2023!

Finally, we hope you enjoy reading the various articles in this newsletter and welcome you to share your feedback at chancerynews@chancerywright.com.

EDITORIAL TEAM

Georgina Ngina
Eric Mutula
Sseruwagi Edgar
Virginia Wangechi
Humphrey Mututua
Dancan Kamau

CONTENTS

Page 3..... Driving Safely
Page 4..... Insurance Uptake in Kenya
Page 6..... Health Outlook
Page 8..... Insurance Uptake in Uganda
Page 10..... Travel Insurance
Page 12 Keep Hope Alive



Put **Safety** at the Forefront during Holiday Driving

Drive Sober
OR
Take public
transportation
or a taxi.

GET your car
checked
before driving
out

Buckle up
Be sure to
fasten your
seat belt
before you
set off

**Watch for
Pedestrians**
Give way at
Crosswalks.

AVOID Distractions
Increase in Holiday
Traffic Requires your
full attention.

**GET your motor insurance with
CHANCERY WRIGHT and make
your travel stress-free**



INSURANCE UPTAKE AMID ECONOMIC HARD TIME/RECESSION



By Beatice Muuna **Broking Executive**

In the recent past, the world has experienced a slow pace of growth of economic activities occasioned by the war in Ukraine and the aftermath of the COVID 19 pandemic. The insurance industry has not been an exception and the effects on the sector are clearly evident.

Due to the diminishing household disposable incomes and constrained organizational resources, there has been a general decline in the effective demand for insurance products. Some clients have opted to purchase the basic products and remove the add-on features of those products in order to cut down on cost. In motor insurance, for example, some clients have chosen to reduce their comprehensive motor insurance covers to third-party only cover while others have removed the excess waiver, political violence, and terrorism extensions. As a result of this, in the event of a loss, the client is forced to dig deeper into their pockets to pay for the risk they self-insured.

The ripple effect of declining insurance uptake is reduced revenues to insurance companies which translates to minimal investments. Insurance companies depend on the investment of premiums paid by clients in real estate and money markets to run their operations. This means that with the reduced revenues, careful and drastic decisions have to be made to ensure they remain afloat as they seek to effectively run their operations which includes claims settlement and maintaining the required solvency levels.



Insurance service is a promise sold to the client, agreeing to pay premiums in exchange for a promise by the Insurer to honor a claim in the unfortunate occurrence of a loss. When this promise is not fulfilled due to possible financial constraints experienced by Insurance companies, the image of the industry would be greatly tainted and could lead to reduced insurance penetration in the market as a result of loss of confidence among clients.



Statistics show a direct correlation between economic downturn and the rise in fraudulent claims since during hard economic times everyone fights for their survival and in the process, some are tempted to lodge fraudulent insurance claims in the form of exaggerated losses or fictitious claims in order to make some money from Insurance companies. It is unfortunate that some of these fraudulent claims are actually made in collusion with some rogue insurance service providers.

A hardening insurance market has prompted the relevant players to make adjustments that will enable them to not only maintain and possibly marginally grow their topline revenues but to also guard their bottom line.

Key to mention is the standardization of applicable terms that has seen a drastic upward adjustment on the listed rates across all classes of insurance by local reinsurers.

On the flip side, insurers have paid more attention to emerging and inclusive markets giving rise to well-priced micro products. The result is access to insurance for consumers and access to markets for insurers.

We are certainly living in interesting times and the state of affairs is not local. The common consensus during these hard times is that the overriding goal for most individuals and business is simple; **To survive.** Put your nose on the grindstone, keep your head above water and try to get by hoping that times get better - **I challenge you to resist that impulse.**



“ You will not turn bankrupt because of buying Insurance but you will cause your loved ones to turn bankrupt if you don't ”

HEALTH OUTLOOK



By Slavy Muriungi **Care Manager**

MENTAL STABILITY DURING TOUGH ECONOMIC TIMES:

Mental Stability: A sense of being in control of their personal thoughts and actions.

Mental Health; Refers to the Cognitive, behavioral, and emotional well-being of a person.

March 2022 a survey conducted by the Ministry of Health found that the top sources of stress for Kenyan adults were the rise in prices of everyday items due to inflation (e.g., gas prices, energy bills, grocery costs, etc.) (87%), followed by supply chain issues (81%) and global uncertainty (81%).

Financial stress registered at the highest level recorded since 2019. But, like most of our everyday stress, this extra tension can be managed. There are healthy strategies available for managing stress during any difficult financial time for you and your family.

Tips to help deal with your stress about finances and the economy:

1. Pause but don't panic:



There are many negative stories in newspapers and on television about the state of the economy. Pay attention to what's happening around you, but refrain from getting caught up in doom-and-gloom hype, which can lead to high levels of anxiety and bad decision making.

Avoid the tendency to overreact or to become passive. Remain calm and stay focused.

2. Identify your financial stressors and make a plan:

Take stock of your particular financial situation and what causes you stress. Write down specific ways you and your family can reduce expenses or manage your finances more efficiently.



Then commit to a specific plan and review it regularly. Although this can be anxiety-provoking in the short term, putting things down on paper and committing to a plan can reduce stress. If you are having trouble paying bills or staying on top of debt, reach out for help by calling your bank, utilities, or Credit Card Company.

3. Recognize how you deal with stress related to finances:

In tough economic times some people are more likely to relieve stress by turning to unhealthy activities like smoking, drinking, gambling, or emotional eating. The strain can also lead to more conflict and arguments between partners.

Be alert to these behaviors—if they are causing you trouble, consider seeking help from a psychologist or community mental health clinic before the problem gets worse.



4. Turn these challenging times into opportunities for real growth and change:

Times like this, while difficult, can offer opportunities to take stock of your current situation and make needed changes. Think of ways that these economic challenges can motivate you to find healthier ways to deal with stress.

Try taking a walk—it's an inexpensive way to get good exercise. Having dinner at home with your family may not only save you money but help bring you closer together. Consider learning a new skill. Take a course through your employer or look into low-cost resources in your community that can lead to a better job. The key is to use this time to think outside the box and try new ways of managing your life.

5. Ask for professional support:

Credit counseling services and financial planners are available to help you take control over your money situation. If you continue to be overwhelmed by the stress, you may want to talk with a psychologist who can help you address the emotions behind your financial worries, manage stress, and change unhealthy behaviors.



Slavy Muriungi Care Manager

“ What mental health needs is more sunlight, more candor, and more unashamed conversation. *Glenn Close*

”

UGANDA'S TAKE ON INSURANCE

UPTAKE AMID THE RECESSION



By Sseruwagi Edgar



“Over the last two years, COVID-19 has brought forth trends that have reshaped the Insurance Cycle, from Selling, Underwriting to Claims handling. The financial recession is now the new pandemic”

And even with major improvements in the economic activities attributed to fully opening up of the economies, the financial market has not picked up to the maximum. Both the Public and Private sector investments have remained contracted partly due to shifts in global trade policies, economic decelerations rising inflation (averaging at 6.5% in the region) and the recent Russia-Ukraine war and in a highly connected world, these effects do impact the local economy and consequently the Insurance Market.

Regardless of these critical macroeconomic fundamentals, the insurance industry seems to be defying the odds with positive growth being recorded. The positive growth is a result of an increase in the general uptake of insurance and is attributed to a number of events.

The hard financial times do cement positive paradigm shifts for insurance.

One of the shifts is the significant rise in risk awareness. For instance, at the height of the covid 19 pandemic with no work or earnings, most households were at a loss when it came to sustaining emerging medical needs. Even those that had healthy bank accounts found themselves seeking financial aid even for the simplest of illnesses. That is why today people are still willing to spend on Insurance.

Insurance is getting more and more digitised. Transactions and interactions are being done online. A policy can be bought online, advice sought online and a claims meeting held online. Remember during tight financial times, every coin counts and a *“Penny saved is a Penny earned”*. So we notice a sustained uptake of insurance generally.

Uptake has also been boosted by strengthened Complaints beaureus set up by the various Insurance Regulatory Authorities. When times are hard everyone is looking for ways to avoid expenses and so Insurance companies who will endeavor to limit how much they pay out sometimes even doing so to rather genuine claims. But when clients know that “Big Brother” is watching and in charge they have continued to pay for their policies and where fitting sign up for new ones.

Regulatory requirements and monitoring have also helped keep the uptake high especially for the statutory policies. If you look at Uganda for instance the Motor Third party insurance was integrated with the Uganda Police Express penalty scheme meaning once the Traffic officer enters the vehicle registration number into his machine, he will know whether the vehicle has insurance or not even before looking at your window sticker/certificate. All those that previously booked stickers from the black market simply to evade police are now forced to go through the right channels.

The financials times are hard but therein lies great Insurance opportunities.



TRAVEL Insurance

Explore
The world with us





WHAT IS TRAVEL INSURANCE?

Travel insurance is a plan you purchase that protects you from certain financial risks and losses that can occur while traveling. These losses can be minor, like a delayed suitcase, or significant, like a last-minute trip cancellation or a medical emergency overseas.

In addition to financial protection, the other huge benefit of travel insurance is access to assistance services, wherever you are in the world. Travel Insurance staff can arrange medical treatment in an emergency, monitor your care, serve as interpreters, help you replace lost passports and so much more. Sometimes, they even save travelers' lives.



A few things you should know about travel insurance:

- Benefits vary by plan. It's important to choose a plan that fits your needs, your budget and your travel plans. Here are definitions of all available travel insurance benefits.
- Travel insurance is designed to cover unforeseeable events— not things you could easily see coming, or things within your control. If, for example, you wait to buy insurance for your beach trip until after a named hurricane is hustling toward your destination, your losses wouldn't be covered.

HOW DOES TRAVEL INSURANCE WORK?

In most scenarios, travel insurance reimburses you for your covered financial losses after you file a claim and the claim is approved. Filing a claim means submitting proof of your loss to the Insurance Company, so that they can verify what happened and reimburse you for your covered losses.





Without travel insurance, you'd lose the money you spent on your vacation. Fortunately, a serious, disabling illness can be considered a covered reason for trip cancellation, which means you can be reimbursed for your prepaid, nonrefundable trip costs. Once you're feeling better, you gather the required documents — such as your airfare and cruise line receipts and information about any refunds you did or did not receive — and you file a claim. You can even choose to receive your reimbursement via direct deposit, to your debit card or check.

Many travelers wonder whether COVID-19 can be considered a covered reason for trip cancellation. And can travel insurance help if you become seriously ill with COVID-19 while traveling? Most popular travel insurance plans now include epidemic-related covered reasons (benefits vary by plan and are not available in all jurisdictions). The new Epidemic Coverage Endorsement adds covered reasons to select benefits for certain losses related to COVID-19 and any future epidemic.



To see if your plan includes this endorsement and what it covers, please look for "Epidemic Coverage Endorsement" on your Declarations of Coverage or Letter of Confirmation. Terms, conditions and exclusions apply. Benefits may not cover the full cost of your loss. All benefits are subject to maximum limits of liability, which may in some cases be subject to sublimits and daily maximums.

How To Get The Most From Your Travel Insurance Plan

Don't wait too long to buy travel insurance! The best time to buy travel insurance is immediately after you've completed your travel arrangements. The earlier you buy insurance, the bigger your coverage window. Also, you must buy your plan within 14 days of making your initial trip deposit in order to be eligible for the pre-existing medical condition benefit (not available on all plans).



By Dancan Kamau: Marketing Executive



KEEP HOPE ALIVE !



By Phoebe Waihiga **Broking Executive**

There is a statement out here in the society that you are either getting into a season, coming out of a season or in a season but whatever it is the seasons will always be there. It's interesting to note that the only thing that is not constant is change and so many are the times we are the ones not ready for change. Some changes are tough and others are exciting.

The times globally have changed and interesting is that they have become more challenging than easy but the truth is that days, times and seconds are still moving the sun still rises and sets even with the tough times. As I was reflecting in Kenya the rains have started falling this November despite the tough dry spell that had taken quite a while and we had to seek Divine intervention even as we prayed for rains. One thing that caught my attention is the Jacaranda tree that has started to bloom this late October and early November with rains or without and it gave me hope that it didn't stop blooming and it made me ask myself am I still blooming because am created to in different seasons. With further research the Jacaranda tree blooms only twice a year regardless of the seasons.

There is a scripture that I believe will be a great anchor this season **Habakkuk 3:17-19 NIV " Though the fig tree does not bud and there are no grapes on the vines, though the olive crop fails and the fields produce no food, though there are no sheep in the pen and no cattle in the stalls,18 yet I will rejoice in the Lord, I will be joyful in God my Savior.19 The Sovereign Lord is my strength; he makes my feet like the feet of a deer, he enables me to tread on the heights.** There is an expectation from our creator even in tough seasons that we rejoice because He knows the seasons.

The economic times don't seem to be easing up if anything they look like they are becoming worse. But there is **HOPE** in knowing that He who created you is faithful and knows which direction and step you will make. The most important thing is don't stop moving and for sure not backwards but ahead whether running, walking or crawling don't stop moving.



Make adjustments if you have to and in this season being a lone ranger is not the best thing especially mentally and emotionally. Find a group of like-minded positive people and have conversations on how others are coping and one day you will be on the other side of the river encouraging someone that its possible to live above the current and not drown.

Even this too shall pass and this word says Job 14:7-9 New International Version 7 "At least there is hope for a tree: If it is cut down, it will sprout again, and its new shoots will not fail.8 Its roots may grow old in the ground and its stump die in the soil,9 yet at the scent of water it will bud and put forth shoots like a plant.

"Hope begins in the dark, the stubborn hope that if you just show up and try to do the right thing, the dawn will come. You wait and watch and work: you don't give up." **Anne Lamott**



Sizzling Fridays

Your Fridays' just got an upgrade! Enjoy all you can eat flame grilled steaks, chops and burgers with cocktails and beer specials from 5:00 pm.

Contact: 0709 548 000

Email: Hotel.Nairobi.Reservations.FB@Movenpick.com



MÖVENPICK

HOTEL & RESIDENCES
NAIROBI

movenpick.com



CONTACT US

NAIROBI OFFICE

CONTACT DETAILS
CRAWFORD BUSINESS PARK,
2NDFLOOR STATE HOUSE ROAD
TEL: +254 (02)2721555 (PILOT LINE)
MOBILE: +254 722 209 547 / 0736 381 707
24 HOUR LINE - +254 728 760 061, +254
738 188 449
SMS: 22507
Email: chancery@chancerywright.com

MOMBASA BRANCH

MOMBASA TRADE CENTRE, 1ST FLOOR
NKURUMAH ROAD
TEL: +254 (041)2312497/2223410

UGANDA OFFICE

INTER SERVICE TOWER
3RD FLOOR PLOT 33
LUMUMBA AVENUE
P.O. BOX 25672
KAMPALA
UGANDA

PHONE: (+256) 41 4348464
PHONE: (+256) 41 4235865
Email: chanceryug@ug.chancerywright.com

MOMBASA BRANCH

MOMBASA TRADE CENTRE, 1ST FLOOR
NKURUMAH ROAD
TEL: +254 (041)2312497/2223410

